

# **LankaSecureNet**

Central Bank of Sri Lanka has introduced a system called LankaSecureNet enabling account holders of government securities obtaining details of information on their investments at any point of time through the Internet.

LankaSecureNet is an Internet based facility through which investors of government securities are able to obtain information on their transactions, income and outstanding balances. This facility provides current information as well as historical information relating to investments. The participants of the LankaSettle are also benefited from this facility as the browser workstation available to them provides only historical information for five calendar days.

The Scripless Securities Settlement System (SSSS) was established in order to overcome difficulties faced by the investors and market participants during the period when there were scrip securities and to promote government securities market. The activities of the government securities market became efficient and automated once the SSS system and the Central Depository System (CDS) were introduced along with the Real-Time Gross Settlement System.

With the termination of issuing scrip securities, investors of government securities required to have a written proof confirming their investments and transactions in the secondary market. The documentary evidence on investments helps creating investor confidence. The Public Debt Department of the Central Bank of Sri Lanka has taken necessary steps to issue statements from time to time to investors through LankaSecure confirming their transactions and outstanding balances. In line with this, at present, LankaSecure issues following statements to investors of government securities.

- a) Statement of Transactions.
- b) Statement of Payments and
- c) Statement of Holdings.

All transactions taken place during a month are indicated in the statement of transactions which is issued monthly. The details of all maturity payments and interest payments are informed to the investors by the statement of payments which is issued soon after the payment is made. The statement of holdings, which is issued bi-annually on 30th June and 31st December each year, gives information on total holdings of an investor.

At present, the transaction details to the investors are confirmed with the above three statements by the LankaSecure. However, there was no facility to obtain this information regularly for the investors. It was observed that some investors had to wait until the end of month to receive their statements. Especially cooperate investors who make daily transactions in the secondary market were mainly affected due to this delay and as a result they were unable to carryout their reconciliation with regard to their investments in government securities.

The individual investors are authorized to access CDS database, which maintains information on government securities under the new facility. Any investor who wishes to obtain this facility through Internet could access the system by following the steps given below.

- 1) First, the investor should obtain an application form from his bank or the primary dealer. The application for accessing LankaSecureNet can also be downloaded from the website (<https://www.cbsl.lk/lankasec/>). The applicant has to complete Section A and submit it to the bank or the primary dealer with whom the investor maintains accounts.

- 2) The Bank/primary dealer who maintains the investor account should complete Section B of the application form.
- 3) The duly completed application form should be sent to the public Debt Department of the Central bank of Sri Lanka. When an investor maintains several accounts with different participants, separate application forms must be completed for each and every account. In such instances, basic information such as name, address, date of birth etc. indicated in application forms must be the same in each application. All application forms need to be sent together if the account holder expects to access all his accounts with different participants through one USERID and a PASSWORD.
- 4) The application forms are checked by the Public Debt Department and a USERID is issued if the information is correct.
- 5) The PASSWORD to login the investor accounts will be sent few days after the USERID is dispatched. When the PASSWORD is received, the investor has to be satisfied that the sealed envelope with the PASSWORD has not been opened. If the investor perceives that this is not so, he must inform it to the Public Debt department.
- 6) Once the investor receives the PASSWORD, he should inform it to the Public Debt Department over the phone through No. 0112477276 or No. 0112477278 and the facility will be made available to the investor after verifying the identity.
- 7) Investor has to change his PASSWORD for security purposes soon after he logs on to the system using the PASSWORD issued to him initially.
- 8) The information on the account will be available to the investor soon after he logs on.
- 9) In case of attempting three times to logon to the system with incorrect passwords, the account will be suspended temporary. However, after 30 minutes of the failed attempts, the system will be activated automatically.
- 10) In the event of an investor forgets the PASSWORD, a written request should be made by submitting Form 3 or Form 4 available in the CBSL website to obtain a new password. A new PASSWORD will be issued following a procedure similar to the initial occasion.

Any investor who accesses LankaSeureNet is able to view account statements and income statements for the past. The following two statements can be printed from the system.

- Customer account statement.
- Customer Income Statement.

We expect that this facility would contribute to have a well-developed government securities market by providing the investors up to date information on their investments in government securities.

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